

COUNSEL SLIP

COURT FILE NO.: 31-2601563

DATE: January 17, 2020

NO. ON LIST _____

TITLE OF PROCEEDING

Notice of Intention of Durham's Sports Barn Inc.

COUNSEL FOR:

- PLAINTIFF(S)
 - APPLICANT(S)
 - PETITIONER(S)
- COMPANY

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1213423 Ontario Inc.

JUDICIAL NOTES:

January 17, 2020

$\frac{1}{2}$ -day hearing scheduled for March 17, 2020 at 10 AM. The balance of my endorsement is attached as schedule "A"

Heery J

Schedule "A" to an Endorsement dated January 17, 2020
in the Matter of the Notice of Intention to make a proposal of:
Durham's Sports Barn Inc.

1. Durham's Sports Barn Inc. (the "**Company**") will bring a motion (the "**Motion**")
to be heard by a judge of the Commercial List on ~~March 17~~ 2020 (the "**Return Date**").
The schedule for the Motion will be as follows: *at 10 AM*

- a) The Company to deliver its motion record by: January 24, 2020
- b) Any responding party to deliver their responding motion record(s) on or before: January 31, 2020
- c) The Company to deliver any reply motion record by: February 5, 2020
- d) Cross-examinations to be completed by: 14 days before the Return Date
- e) The Company's factum and book of authorities to be delivered by: Five business days before the Return Date
- f) Any responding party's factum and book of authorities to be completed by: Three business days before to the Return Date

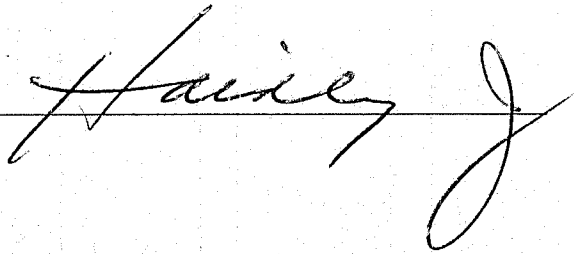
2. Subject to further order of this court, and without prejudice to any of the parties' positions on the Motion, pending the return of the Motion:

- (a) 1213423 Ontario Inc., the landlord (the "**Landlord**") for the premises municipally known as 864 Taunton Road West, in Oshawa, Ontario L1H 7K4 (the "**Premises**") will not take any steps to retake possession of the Premises, or otherwise enforce its Notice of Termination dated January 9, 2020 ("**Notice of Termination**");
- (b) The time to cure any defaults set out in the Landlord's Notice of Default dated January 9, 2020 ("**Notice of Default**") is suspended from the date of this endorsement;
- (c) The Company may continue to use the chattels described in Schedule "A" (the "**Property**") to the Bill of Sale between the Landlord and Larry Rogalski (the "**Purchaser**") dated January 2, 2020, so long as such use is in the ordinary course of business; and,
- (d) The Company will not remove, or cause to be removed any of the Property from the Premises;

3. On or before January 21, 2020, the Landlord shall provide to the Company the Purchaser's email and mailing address for service of the Company's Motion Record.

4. Counsel for the Company advises that msi Spergel Inc. in its capacity as proposal trustee for the Company has confirmed its support of a short extension of the time to file a proposal pending the Motion. The determination of the issues on the Motion are vital to the ability of the Company to make a viable proposal to its creditors. Counsel for the Company has provided this court with a copy of the proposal trustee's report on the Company's cash flow statement which projects that the Company will be able to fund its operations until at least the return date of the Motion. I am satisfied that the Company is acting in good faith and with due diligence and no creditor would be materially prejudiced if a short extension were granted. The time for the Company to file a proposal pursuant to 50.4(8) of the *Bankruptcy and Insolvency Act* is hereby extended to the next business day following the return date of the Motion.

January 17, 2020

A handwritten signature in cursive script, appearing to read "Hainey J.", is written over a horizontal line.